

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 23-cv-20727-ALTMAN

RYAN BRESLOW, *et al.*,

Plaintiffs,

v.

MARK PHILLIPS, *et al.*,

Defendants.

DECLARATION OF CHRISTOPHER T. BERG

I, Christopher T. Berg, make the following declaration based on my personal knowledge:

1. My name is Christopher T. Berg. I am over the age of 18, competent to testify and have personal knowledge of the matters stated herein.

2. I am a partner at the law firm of Ellis George Cipollone O'Brien Annaguey LLP, located at 2121 Avenue of the Stars, 30th Floor, Los Angeles, California 90067, counsel of record for Plaintiffs Ryan Breslow, Alex Fine, and Jon Gordon (collectively, "Plaintiffs").

3. I am a resident of Los Angeles, California.

4. On March 13, 2023, I accessed the web page found at URL <https://www.fdic.gov/news/press-releases/2023/pr23016.html>, which is a press release from the Federal Deposit Insurance Corporation dated March 12, 2023. A true and correct copy of the web page found at this URL, as it existed on March 13, 2023, is attached as Exhibit A.

5. On March 12, 2023, I accessed the web page found at URL <https://coinmarketcap.com/currencies/multi-collateral-dai/historical-data/>, which is a web page containing a record of the daily valuations for the cryptocurrency DAI from January 13, 2023 to March 12, 2023. A true and correct copy of the web page found at this URL, as it existed on March 12, 2023, is attached as Exhibit B.

6. On March 12, 2023, I accessed the web page found at URL <https://coinmarketcap.com/currencies/ethereum/historical-data/>, which is a web page containing a record of the daily valuations for the cryptocurrency Ethereum from January 13, 2023 to March 12, 2023. A true and correct copy of the web page found at this URL, as it existed on March 12, 2023, is attached as Exhibit C.

7. On March 13, 2023, I accessed the web page found at URL <https://www.wsj.com/articles/crypto-investors-cash-out-2-billion-in-usd-coin-after-bank-collapse-1338a80f>, which is a web page reporting the effects of Silicon Valley Bank's failure on stablecoins. A true and correct copy of the web page found at this URL, as it existed on March 13, 2023, is attached as Exhibit D.

8. On March 13, 2023, I accessed the web page found at URL <https://www.coindesk.com/markets/2023/03/11/dai-depegs-as-stablecoin-rout-plagues-crypto/>, which is a web page reporting on the decrease in DAI's value in the wake of Silicon Valley Bank's collapse. A true and correct copy of the web page found at this URL, as it existed on March 13, 2023, is attached as Exhibit E.

9. On February 28, 2023, I emailed counsel for Defendants Mark Phillips and Benjamin Reed ("Defendants"), Nitoy Singh, a copy of the Court's Order Granting Plaintiffs' Emergency Ex Parte Application For Temporary Restraining Order ("TRO"), Dkt. No. 18, and

informed them that Plaintiffs expected Defendants' prompt compliance with unwinding transfers made from the DAO endowment account. A true and correct copy of an email chain containing this exchange is attached as Exhibit F.

10. On March 3, 2023 at 10:40 AM, I received an email from Mr. Singh requesting a continuance to the briefing schedule of the preliminary injunction. I informed Mr. Singh that same day at 1:18 PM that Plaintiffs would stipulate to an extension of the briefing schedule if Defendants returned the transfers made from the DAO endowment by March 16. Mr. Singh responded on March 4, 2023 at 9:18 AM, in which he stated that defendants were preparing an accounting of transfers made from the DAO endowment, that some transfers were made to accounts not within Defendants' control, and that Defendants "cannot commit [to] unwinding all transactions by any date." A true and correct copy of an email chain containing this exchange is attached as Exhibit G.

11. On March 6, 2023, I, along with my colleague Andrew Iglesias, participated in a telephonic meet-and-confer with Mr. Singh. During that phone call, Mr. Singh requested an extension to the preliminary injunction briefing schedule. I informed Mr. Singh that Plaintiffs would stipulate to an extension if, and only if, Defendants transferred the assets in the DAO Developer account back to the DAO endowment account. At the time, the DAO Developer account contained more than \$5 million of the DAO endowment funds. I also informed Mr. Singh that there was no legitimate basis not to transfer those assets back to the DAO endowment account immediately, and that there was no dispute that the Defendants controlled the DAO Developer account. During the call, Mr. Singh represented that Defendants had converted certain DAO endowment assets into fiat currency such as dollars, and that Mr. Singh intended to consult the Court about how to proceed with those transactions.

12. Later on March 6, 2023 at 2:39 PM, I received an email from Mr. Singh confirming that Defendants agreed to transfer the funds in the DAO Developer account back to the DAO endowment before the end of the day. In response at 3:15 PM, I informed Mr. Singh that Plaintiffs expected the remaining assets to be returned to the DAO endowment account by March 10, 2023, or else Defendants would need to provide good cause explaining why such transfers could not occur. *See* Exhibit G. Later that day, over \$5 million was transferred back to the DAO endowment account from the DAO Developer account.

13. On March 9, 2023 at 9:05 AM, I emailed Mr. Singh requesting a meet and confer regarding his clients' compliance with the TRO, to which I did not receive a reply. *See* Exhibit G.

14. As of March 10, 2023, Plaintiffs did not return the remaining assets to the DAO endowment account or provide an explanation for why the funds were not transferred.

15. On March 11, 2023, after learning of the drop in value of the DAI cryptocurrency, I emailed Mr. Singh again requesting a meet and confer.

16. On March 13, 2023, I accessed a web page found at URL <https://apnews.com/article/silicon-valley-bank-bailout-yellen-deposits-failure-94f2185742981daf337c4691bbb9ec1e>, which reports that, in an interview on CBS's "Face the Nation," U.S. Secretary of Treasury Janet Yellen announced that the federal government would not bail out Silicon Valley Bank. A true and correct copy of the web page found at this URL, as it existed on March 13, 2023, is attached as Exhibit H.

17. On March 12, 2023, I participated in a telephone call with Mr. Singh. During that call, I inquired why the remaining DAO endowment assets had not been returned to the DAO endowment. Mr. Singh informed me that the reason no additional assets had been returned is

because an accounting was still in progress and because Mr. Singh had been traveling. At the time of the call, Mr. Singh reported that he did not know how much money Defendants had converted to fiat currency, and he did not know how many assets had been transferred into accounts that Defendants do not control. Mr. Singh represented that he would check on that information.

18. On March 13, 2023, I accessed the web page found at URL <https://www.marketwatch.com/story/silicon-valley-bank-failure-could-spark-run-on-regional-banks-sources-9fa706f>, which is a web page reporting on the effects that Silicon Valley Bank's failure could have on other financial institutions. A true and correct copy of the web page found at this URL, as it existed on March 13, 2023, is attached as Exhibit I.

19. On March 13, 2023, I accessed the web page found at URL <https://www.nbcnews.com/news/us-news/s-happen-silicon-valley-bank-customers-rcna74552>, which is a web page reporting on the current and forecasted impacts of Silicon Valley Bank's collapse on financial markets. A true and correct copy of the web page found at this URL, as it existed on March 13, 2023, is attached as Exhibit J.

20. On March 13, 2023, I accessed the web page found at URL <https://nypost.com/2023/03/11/silicon-valley-bank-failure-could-lead-to-run-on-other-banks/>, which is a web page reporting that Silicon Valley Bank's failure could cause a run on other banks. A true and correct copy of the web page found at this URL, as it existed on March 13, 2023, is attached as Exhibit K.

21. On March 13, 2023, I accessed the web page found at URL <https://www.bloomberg.com/news/articles/2023-03-11/circle-s-usdc-stablecoin-shakiness-reverberates-in-crypto-world-of-defi-dai?leadSource=uverify%20wall>, which is a web page

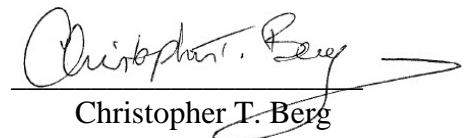
reporting the effects of Silicon Valley Bank's failure on stablecoin. A true and correct copy of the web page found at this URL, as it existed on March 13, 2023, is attached as Exhibit L.

22. On March 12, 2023 at 9:04 PM, Mr. Singh informed me that Defendants would oppose any request to modify the TRO to require the DAO endowment's assets to be converted into fiat currency and be placed in escrow. *See* Exhibit G.

23. Plaintiffs filed their Motion to Amend Temporary Restraining Order and For Order to Show Cause Why Defendants Should Not Be Held in Civil Contempt on an emergency basis because of the exigent circumstances created by the collapse of Silicon Valley Bank and the dramatic fluctuations in DAI and Ethereum prices that occurred over the weekend. The uncertainty and volatility surrounding these cryptocurrencies poses serious risks to the value of the DAO endowment, and swift action must be taken to ensure that the DAO endowment is protected.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 13 day of March 2023.


Christopher T. Berg

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by the Court's CM/ECF system on March 13, 2023 on all counsel of record.

/s/ Jamie L. Katz
Jamie L. Katz

Exhibit A

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Press Release

FDIC Creates a Deposit Insurance National Bank of Santa Clara to Protect Insured Depositors of Silicon Valley Bank, Santa Clara, California

Friday, March 10, 2023

For Immediate Release

Last updated: March 12, 2023

WASHINGTON – Silicon Valley Bank, Santa Clara, California, was closed today by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect insured depositors, the FDIC created the Deposit Insurance National Bank of Santa Clara (DINB). At the time of closing, the FDIC as receiver immediately transferred to the DINB all insured deposits of Silicon Valley Bank.

All insured depositors will have full access to their insured deposits no later than Monday morning, March 13, 2023. The FDIC will pay uninsured depositors an advance dividend within the next week. Uninsured depositors will receive a receivership certificate for the remaining amount of their uninsured funds. As the FDIC sells the assets of Silicon Valley Bank, future dividend payments may be made to uninsured depositors.

Silicon Valley Bank had 17 branches in California and Massachusetts. The main office and all branches of Silicon Valley Bank will reopen on Monday, March 13, 2023. The DINB will maintain Silicon Valley Bank's normal business hours. Banking activities will resume no later than Monday, March 13, including on-line banking and other services. Silicon Valley Bank's official checks will continue to clear. Under the Federal Deposit Insurance Act, the FDIC may create a DINB to ensure that customers have continued access to their insured funds.

As of December 31, 2022, Silicon Valley Bank had approximately \$209.0 billion in total assets and about \$175.4 billion in total deposits. At the time of closing, the amount of deposits in excess of the insurance limits was undetermined. The amount of uninsured deposits will be determined once the FDIC obtains additional information from the bank and customers.

Customers with accounts in excess of \$250,000 should contact the FDIC toll-free at 1-866-799-0959.

The FDIC as receiver will retain all the assets from Silicon Valley Bank for later disposition. Loan customers should continue to make their payments as usual.

Silicon Valley Bank is the first FDIC-insured institution to fail this year. The last FDIC-insured institution to close was Almena State Bank, Almena, Kansas, on October 23, 2020.


FDIC: PR-16-2023

Additional Resources:


 [Frequently Asked Questions](#)


 [Failed Bank Information for Silicon Valley Bank, Santa Clara, CA](#)


Exhibit B




Q





Cryptos: 22,854 Exchanges: 568 Market Cap: \$1,020,368,868,594 24h Vol: \$72,940,206,911 Dominance: BTC: 42.3% ETH: 19.2%  ETH Gas: 22 Gwei

⚠ For details on the upgrade from Single-Collateral Dai (Sai) to Multi-Collateral Dai (Dai), please click [here](#)



☆

↑

Rank #13 Token On 151,047 watchlists

Dai Price (DAI)


\$0.9931

▲1.21%




Low:\$0.9498 High:\$0.9965 24h

More stats

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Historical Data for Dai


 Date Range


▼

Date	Open*	High	Low	Close**	Volume	Market Cap
Mar 12, 2023	\$0.9729	\$0.9943	\$0.9498	\$0.9926	\$1,312,827,143	\$6,366,080,325
Mar 11, 2023	\$0.999	\$0.9996	\$0.897	\$0.9739	\$4,642,451,631	\$5,462,750,197
Mar 10, 2023	\$0.9999	\$1.00	\$0.997	\$0.999	\$690,944,741	\$5,240,226,144
Mar 09, 2023	\$0.9987	\$1.00	\$0.9963	\$0.9999	\$247,157,386	\$5,127,150,305
Mar 08, 2023	\$1.00	\$1.00	\$0.9986	\$0.9988	\$141,247,830	\$5,166,646,403
Mar 07, 2023	\$0.9996	\$1.00	\$0.9981	\$1.00	\$159,593,715	\$5,184,258,228
Mar 06, 2023	\$0.9999	\$1.00	\$0.9988	\$0.9996	\$138,616,571	\$5,193,159,177
Mar 05, 2023	\$0.9999	\$1.00	\$0.9986	\$0.9999	\$96,622,344	\$5,200,415,181


On This Day

Mar 12, 2023


 Dai DAI

 Today


\$0.9931

 1 year ago

\$0.9995


 2 years ago

\$1.00

 3 years ago

\$1.09

Share

 Dai DAI

\$0.9931 ▲1.21%

https://coinmarketcap.com/currencies/multi-collateral-dai/historical-data/

1/4

Date	Open*	High	Low	Close**	Volume	Market Cap
Mar 04, 2023	\$0.9998	\$1.00	\$0.9989	\$0.9999	\$73,812,498	\$5,206,771,838
Mar 03, 2023	\$0.9996	\$1.00	\$0.9968	\$0.9999	\$181,953,837	\$5,200,600,281
Mar 02, 2023	\$1.00	\$1.00	\$0.9988	\$0.9996	\$176,473,510	\$5,210,860,610
Mar 01, 2023	\$0.9993	\$1.00	\$0.9988	\$1.00	\$187,668,287	\$5,204,895,906
Feb 28, 2023	\$0.9999	\$1.00	\$0.9983	\$0.9991	\$144,942,910	\$5,211,330,684
Feb 27, 2023	\$1.00	\$1.00	\$0.9987	\$0.9999	\$166,601,142	\$5,221,493,609
Feb 26, 2023	\$1.00	\$1.00	\$0.999	\$1.00	\$97,125,479	\$5,219,152,006
Feb 25, 2023	\$0.9998	\$1.00	\$0.9987	\$1.00	\$125,879,774	\$5,215,201,710
Feb 24, 2023	\$0.9999	\$1.00	\$0.9974	\$0.9998	\$184,289,601	\$5,212,520,530
Feb 23, 2023	\$1.00	\$1.00	\$0.9984	\$0.9998	\$227,415,173	\$5,211,775,058
Feb 22, 2023	\$1.00	\$1.00	\$0.9978	\$1.00	\$199,461,357	\$5,223,517,792
Feb 21, 2023	\$1.00	\$1.00	\$0.998	\$1.00	\$193,001,670	\$5,215,976,803
Feb 20, 2023	\$0.9996	\$1.00	\$0.9989	\$0.9999	\$189,014,137	\$5,206,342,850
Feb 19, 2023	\$1.00	\$1.00	\$0.9986	\$0.9992	\$135,722,580	\$5,198,912,468
Feb 18, 2023	\$0.9996	\$1.00	\$0.9991	\$0.9998	\$106,387,643	\$5,197,368,688
Feb 17, 2023	\$0.9985	\$1.00	\$0.9974	\$0.9996	\$257,483,893	\$5,185,943,940
Feb 16, 2023	\$0.9998	\$1.00	\$0.9973	\$0.9982	\$261,137,664	\$5,199,562,580
Feb 15, 2023	\$1.00	\$1.00	\$0.9991	\$0.9999	\$218,957,302	\$5,203,220,876
Feb 14, 2023	\$1.00	\$1.00	\$0.9981	\$1.00	\$235,242,279	\$5,205,547,448
Feb 13, 2023	\$0.9998	\$1.00	\$0.9975	\$0.9999	\$367,664,762	\$5,214,178,408
Feb 12, 2023	\$0.9996	\$1.00	\$0.9987	\$0.9997	\$97,805,277	\$5,195,834,986
Feb 11, 2023	\$0.9993	\$1.00	\$0.9989	\$0.9997	\$96,315,254	\$5,197,177,186
Feb 10, 2023	\$0.9994	\$1.00	\$0.9986	\$0.9993	\$178,690,450	\$5,197,024,574
Feb 09, 2023	\$0.9995	\$1.00	\$0.9973	\$0.9993	\$228,915,462	\$5,788,770,420
Feb 08, 2023	\$1.00	\$1.00	\$0.9982	\$0.9995	\$180,778,471	\$5,800,032,352
Feb 07, 2023	\$0.9992	\$1.00	\$0.9984	\$1.00	\$156,116,381	\$5,800,054,554

Date	Open*	High	Low	Close**	Volume	Market Cap
Feb 05, 2023	\$0.9996	\$1.00	\$0.9975	\$0.9996	\$99,279,321	\$5,811,147,044
Feb 04, 2023	\$0.9999	\$1.00	\$0.999	\$0.9997	\$128,502,700	\$5,805,253,355
Feb 03, 2023	\$0.9989	\$1.00	\$0.9989	\$0.9999	\$172,212,381	\$5,799,375,857
Feb 02, 2023	\$0.9999	\$1.00	\$0.9984	\$0.9989	\$208,676,851	\$5,805,609,022
Feb 01, 2023	\$0.9997	\$1.00	\$0.9988	\$1.00	\$173,633,041	\$5,802,746,018
Jan 31, 2023	\$1.00	\$1.00	\$0.9983	\$0.9998	\$147,008,225	\$5,811,083,031
Jan 30, 2023	\$0.9997	\$1.00	\$0.9978	\$1.00	\$197,768,240	\$5,826,771,661
Jan 29, 2023	\$0.9999	\$1.00	\$0.9988	\$0.9999	\$135,453,256	\$5,834,054,925
Jan 28, 2023	\$0.9998	\$1.00	\$0.9985	\$0.9999	\$120,006,414	\$5,839,533,022
Jan 27, 2023	\$0.9999	\$1.00	\$0.9988	\$0.9999	\$169,625,873	\$5,857,294,679
Jan 26, 2023	\$0.9997	\$1.00	\$0.9988	\$0.9999	\$196,548,307	\$5,866,341,752
Jan 25, 2023	\$0.9995	\$1.00	\$0.9979	\$0.9999	\$215,336,569	\$5,890,477,513
Jan 24, 2023	\$0.9997	\$1.00	\$0.9976	\$0.9995	\$171,485,520	\$5,886,001,242
Jan 23, 2023	\$0.9995	\$1.00	\$0.9973	\$0.9999	\$206,452,964	\$5,878,472,454
Jan 22, 2023	\$0.9994	\$1.00	\$0.9986	\$0.9997	\$155,664,503	\$5,873,642,277
Jan 21, 2023	\$1.00	\$1.00	\$0.9981	\$0.9992	\$206,143,731	\$5,861,535,273
Jan 20, 2023	\$1.00	\$1.00	\$0.999	\$1.00	\$183,160,495	\$5,850,601,561
Jan 19, 2023	\$0.9995	\$1.00	\$0.9991	\$1.00	\$148,851,814	\$5,849,853,572
Jan 18, 2023	\$0.9995	\$1.00	\$0.9974	\$0.9994	\$266,370,152	\$5,814,924,312
Jan 17, 2023	\$0.9994	\$1.00	\$0.9988	\$0.9996	\$202,312,236	\$5,832,490,658
Jan 16, 2023	\$0.9996	\$1.00	\$0.9983	\$0.9994	\$184,864,608	\$5,830,043,606
Jan 15, 2023	\$0.9999	\$1.00	\$0.9987	\$0.9997	\$163,757,043	\$5,835,390,960
Jan 14, 2023	\$1.00	\$1.00	\$0.9974	\$0.9999	\$242,355,186	\$5,833,011,447
Jan 13, 2023	\$1.00	\$1.00	\$0.9987	\$1.00	\$207,193,306	\$5,815,013,169

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Exhibit C

Ethereum ETH

CoinMarketCap

\$1,594.51▲ 7.60%

Cryptos: 22,854Exchanges: 568Market Cap: \$1,020,368,868,59424h Vol: \$72,940,206,911Dominance: BTC: 42.3%ETH: 19.2%📄 ETH Gas: 22 Gwei▼

Rank #2CoinOn 3,050,379 watchlists

Ethereum Price (ETH)

\$1,594.51

Low:\$1,461.61High:\$1,629.3724h ▼

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Audits ⓘFairyproof

TagsPoSSmart Contracts+26>

Historical Data for Ethereum

 Date Range


Date	Open*	High	Low	Close**	Volume	Market Cap
Mar 12, 2023	\$1,482.43	\$1,607.15	\$1,461.61	\$1,590.29	\$11,480,965,122	\$194,610,296,522
Mar 11, 2023	\$1,429.10	\$1,484.14	\$1,428.72	\$1,482.62	\$14,917,080,154	\$181,433,531,480
Mar 10, 2023	\$1,438.76	\$1,438.76	\$1,378.53	\$1,429.16	\$12,665,194,936	\$174,891,606,136
Mar 09, 2023	\$1,534.03	\$1,544.11	\$1,423.26	\$1,438.66	\$9,457,897,583	\$176,054,474,765
Mar 08, 2023	\$1,561.98	\$1,568.18	\$1,534.09	\$1,534.09	\$7,130,327,525	\$187,732,308,103
Mar 07, 2023	\$1,567.42	\$1,579.16	\$1,543.13	\$1,561.93	\$6,854,058,349	\$191,139,794,721
Mar 06, 2023	\$1,564.38	\$1,579.46	\$1,557.36	\$1,567.40	\$5,245,153,345	\$191,808,639,047
Mar 05, 2023	\$1,567.18	\$1,584.21	\$1,559.95	\$1,564.47	\$5,020,886,238	\$191,450,085,930
Mar 04, 2023	\$1,569.28	\$1,575.64	\$1,551.74	\$1,566.92	\$4,389,045,367	\$191,750,540,945
Mar 03, 2023	\$1,647.56	\$1,648.48	\$1,552.45	\$1,569.17	\$9,922,240,199	\$192,025,112,412

On This Day

Mar 12, 2023

Ethereum ETH	
Today	\$1,595
1 year ago	\$2,519
2 years ago	\$1,925
3 years ago	\$133
4 years ago	\$133
5 years ago	\$691
6 years ago	\$29
7 years ago	\$14

Share

<div><div> Ethereum ETH</div><div>\$1,594.51 ▲ 7.60%</div></div>						
Mar 02, 2023	\$1,663.55	\$1,672.05	\$1,622.60	\$1,647.32	\$7,080,950,926	\$201,588,829,112
Mar 01, 2023	\$1,606.04	\$1,663.43	\$1,601.55	\$1,663.43	\$7,701,847,224	\$203,560,807,724
Feb 28, 2023	\$1,634.50	\$1,644.44	\$1,602.43	\$1,605.90	\$6,323,676,957	\$196,519,595,896
Feb 27, 2023	\$1,640.76	\$1,662.58	\$1,615.39	\$1,634.33	\$7,239,824,677	\$199,998,836,364
Feb 26, 2023	\$1,594.76	\$1,645.27	\$1,590.39	\$1,640.82	\$5,727,967,432	\$200,793,139,093
Feb 25, 2023	\$1,608.66	\$1,608.87	\$1,567.63	\$1,594.91	\$5,657,686,235	\$195,175,909,086
Feb 24, 2023	\$1,650.90	\$1,661.09	\$1,583.15	\$1,608.37	\$8,909,129,423	\$196,822,841,716
Feb 23, 2023	\$1,643.30	\$1,674.60	\$1,632.57	\$1,651.07	\$9,013,236,167	\$202,048,296,021
Feb 22, 2023	\$1,658.14	\$1,664.00	\$1,604.80	\$1,643.23	\$9,189,387,004	\$201,088,617,497
Feb 21, 2023	\$1,702.80	\$1,714.29	\$1,642.40	\$1,658.04	\$8,721,608,198	\$202,900,324,404
Feb 20, 2023	\$1,682.34	\$1,716.49	\$1,659.30	\$1,702.68	\$7,703,604,237	\$208,362,936,842
Feb 19, 2023	\$1,691.68	\$1,718.95	\$1,673.91	\$1,681.44	\$6,959,144,003	\$205,763,839,950
Feb 18, 2023	\$1,694.74	\$1,705.31	\$1,683.67	\$1,691.82	\$5,491,437,195	\$207,034,487,856
Feb 17, 2023	\$1,640.28	\$1,716.78	\$1,636.17	\$1,694.78	\$9,802,443,159	\$207,397,194,107
Feb 16, 2023	\$1,673.87	\$1,732.80	\$1,638.15	\$1,640.07	\$12,704,861,676	\$200,701,412,484
Feb 15, 2023	\$1,556.77	\$1,674.29	\$1,545.69	\$1,673.75	\$10,015,035,156	\$204,822,771,744
Feb 14, 2023	\$1,506.99	\$1,562.03	\$1,497.19	\$1,556.88	\$9,249,575,045	\$190,520,831,640
Feb 13, 2023	\$1,514.92	\$1,524.73	\$1,470.02	\$1,507.17	\$9,363,855,114	\$184,437,721,061
Feb 12, 2023	\$1,539.78	\$1,545.55	\$1,501.46	\$1,515.03	\$5,319,698,775	\$185,400,529,852
Feb 11, 2023	\$1,514.94	\$1,541.33	\$1,510.15	\$1,539.93	\$5,064,007,416	\$188,446,792,044
Feb 10, 2023	\$1,546.60	\$1,553.33	\$1,504.83	\$1,514.87	\$8,397,387,897	\$185,380,394,201
Feb 09, 2023	\$1,651.08	\$1,655.23	\$1,537.18	\$1,546.44	\$10,524,969,124	\$189,243,632,233
Feb 08, 2023	\$1,671.91	\$1,688.53	\$1,635.27	\$1,650.72	\$7,806,089,579	\$202,004,591,056
Feb 07, 2023	\$1,616.01	\$1,673.80	\$1,614.86	\$1,672.00	\$8,030,277,434	\$204,609,541,066
Feb 06, 2023	\$1,631.65	\$1,653.72	\$1,611.32	\$1,616.25	\$6,919,871,886	\$197,786,409,641
Feb 05, 2023	\$1,667.17	\$1,671.77	\$1,616.39	\$1,631.65	\$6,926,696,531	\$199,670,814,562
Feb 04, 2023	\$1,664.47	\$1,690.10	\$1,648.19	\$1,667.06	\$5,843,302,512	\$204,004,483,832
Feb 03, 2023	\$1,642.90	\$1,670.70	\$1,634.22	\$1,664.75	\$8,169,519,805	\$203,721,353,154

Ethereum

ETH

\$1,594.51


▲ 7.60%

Feb 02, 2023	\$1,641.37	\$1,704.46	\$1,641.32	\$1,643.24	\$10,558,081,069	\$201,089,826,316
Feb 01, 2023	\$1,586.49	\$1,644.73	\$1,566.86	\$1,641.79	\$8,116,969,489	\$200,912,519,458
Jan 31, 2023	\$1,567.42	\$1,598.52	\$1,563.80	\$1,586.54	\$6,585,191,019	\$194,150,467,600
Jan 30, 2023	\$1,646.15	\$1,646.65	\$1,546.66	\$1,567.33	\$9,180,418,120	\$191,799,801,099
Jan 29, 2023	\$1,572.63	\$1,653.73	\$1,568.98	\$1,646.16	\$8,801,292,300	\$201,446,423,702
Jan 28, 2023	\$1,598.13	\$1,604.70	\$1,565.39	\$1,572.44	\$5,803,653,357	\$192,424,955,723
Jan 27, 2023	\$1,603.08	\$1,617.00	\$1,565.25	\$1,598.16	\$8,124,465,373	\$195,572,592,023
Jan 26, 2023	\$1,611.08	\$1,626.20	\$1,586.60	\$1,603.11	\$8,395,315,241	\$196,178,270,960
Jan 25, 2023	\$1,556.81	\$1,632.24	\$1,530.80	\$1,611.71	\$10,598,973,448	\$197,231,311,510
Jan 24, 2023	\$1,627.85	\$1,639.72	\$1,551.39	\$1,556.60	\$8,180,274,691	\$190,487,679,000
Jan 23, 2023	\$1,628.55	\$1,641.22	\$1,607.90	\$1,628.25	\$8,264,507,375	\$199,255,375,048
Jan 22, 2023	\$1,627.37	\$1,658.02	\$1,612.09	\$1,628.38	\$7,517,988,734	\$199,271,406,210
Jan 21, 2023	\$1,659.71	\$1,674.18	\$1,626.81	\$1,627.12	\$8,859,250,310	\$199,116,747,175
Jan 20, 2023	\$1,552.37	\$1,659.89	\$1,544.92	\$1,659.75	\$8,528,894,754	\$203,110,528,556
Jan 19, 2023	\$1,515.25	\$1,557.97	\$1,514.38	\$1,552.56	\$6,432,638,856	\$189,992,347,923
Jan 18, 2023	\$1,567.70	\$1,602.11	\$1,509.42	\$1,515.51	\$10,354,880,595	\$185,458,451,766
Jan 17, 2023	\$1,577.11	\$1,594.00	\$1,553.34	\$1,567.85	\$7,599,462,786	\$191,863,382,801
Jan 16, 2023	\$1,552.52	\$1,594.04	\$1,529.57	\$1,576.83	\$8,454,485,431	\$192,963,212,849
Jan 15, 2023	\$1,550.73	\$1,556.95	\$1,520.89	\$1,552.48	\$6,774,614,499	\$189,982,916,190
Jan 14, 2023	\$1,451.43	\$1,563.74	\$1,450.99	\$1,550.71	\$15,444,626,014	\$189,765,994,313
Jan 13, 2023	\$1,417.95	\$1,461.67	\$1,404.02	\$1,451.61	\$7,684,148,212	\$177,639,720,158

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* Earliest data in range (UTC time)
** Latest data in range (UTC time)

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 **Ethereum** ETH

\$1,594.51 ▲ 7.60%

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Exhibit D

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<https://www.wsj.com/articles/crypto-investors-cash-out-2-billion-in-usd-coin-after-bank-collapse-1338a80f>

MARKETSCURRENCIESCRYPTOCURRENCY

Circle's USDC Stablecoin Breaks Peg With \$3.3 Billion Stuck at Silicon Valley Bank

Spooked investors cashed out over \$2 billion worth of USD Coin, knocking the dollar-pegged token below 87 cents



Silicon Valley Bank was one of six banking partners used for managing a portion of the estimated 25% of Circle's USD Coin reserves held in cash.

PHOTO: STRINGER/REUTERS

By *Vicky Ge Huang* [Follow](#) , *Hannah Miao* [Follow](#) and *Caitlin Ostroff* [Follow](#)

Updated March 11, 2023 7:21 pm ET

A major cryptocurrency operated by Circle Internet Financial Ltd. meant to mimic the value of the U.S. dollar dropped sharply after the company said it had \$3.3 billion tied up in the collapsed Silicon Valley Bank.

USD Coin fell below 87 cents on Saturday morning, according to data from CoinDesk. The virtual currency, known as a stablecoin, is designed to trade exactly at \$1. It is backed by real U.S. dollars and short-term government debt, and sits at the heart of cryptocurrency trading.

Breaking USD Coin's peg with the dollar has the potential to send shock waves through the cryptocurrency world still reeling from the collapse of FTX. For crypto traders, the decline

in the value of USD Coin is reminiscent of the worst moments of the 2008 financial crisis when the Reserve Primary Fund, a money-market fund that most investors treated as the equivalent of cash, “broke the buck” in the wake of Lehman Brothers’ failure and saw its net asset value fall below \$1.

Stablecoins such as USD Coin have become an increasingly critical part of the digital-asset ecosystem, accounting for over \$130 billion in market value, up from just \$11 billion in June 2020. Crypto traders rely on stablecoins to quickly get in or out of their positions in more volatile cryptocurrencies, while companies often store their capital and profits in stablecoins.

Like banks, stablecoins are subject to runs. If holders of the coins believe there aren't enough dollars in reserve, they may rush to exchange their coins—or to sell them to someone else. That selling has driven down the price.

A large deviation of USD Coin from its peg could trigger a wave of selling among holders, potentially sparking a fire sale of the reserves in the banking system. As spooked investors dash for the exit, the companies issuing the stablecoin would have to rapidly sell traditional assets to give clients their money back, potentially putting pressure on a narrow slice of banks that serve the crypto industry.

The USD Coin reserves remaining at Silicon Valley Bank comprise about 8% of assets backing the token, according to Circle.

Circle holds \$9.7 billion of its USD Coin reserves in cash and \$32.4 billion in short-dated government securities, the company said in an update Saturday.

Bank of New York Mellon Corp. holds \$5.4 billion of the USD Coin cash reserves and \$1 billion is deposited at Customers Bank, according to Circle. The company said it uses Signature Bank for transactions and settlements, and has no exposure to Silvergate Capital, a crypto-focused bank that shuttered Wednesday.

Live Q&A

What Does the Silicon Valley Bank Failure Mean?

On Monday, March 13, at 4:00 p.m. ET, join the Journal's Banking Editor Marie Beaudette for a conversation with former FDIC Chairman Sheila Bair, followed by a roundtable with Wall Street Journal journalists about the

SVB bank failure, subsequent regulatory action and what this all means for the tech sector and overall health of the U.S. economy.

Sign Up →

The U.S. Treasurys backing USD Coin are held by BNY Mellon and managed by BlackRock Inc, Circle said.

Circle attempted to move reserves out of Silicon Valley Bank on Thursday, but those transfers had not settled as of Friday's close, the company said. The firm believes those transfers could be processed Monday.

If the cash reserves at Silicon Valley Bank aren't fully returned, Circle said it would cover any shortfall using company resources, including outside funding if necessary.

USD Coin inched higher to 98 cents after Circle posted the update, which also mentions that the firm will resume redemptions on Monday morning.

Another stablecoin, Dai, also broke from its \$1 peg, trading as low as 90 cents Saturday. Dai, the fourth-largest stablecoin worth around \$5 billion, is partially backed by USD Coin, also known by traders as USDC.

Cryptocurrency investors redeemed more than \$2 billion in Circle's stablecoin in the past 24 hours, according to blockchain data provider Nansen as of 10 p.m. ET on Friday. The pace of USD Coin redemptions accelerated through Friday, with most of the USD Coin burned in the last eight hours, Nansen said.

"Like other customers and depositors who relied on SVB for banking services, Circle joins calls for continuity of this important bank in the U.S. economy and will follow guidance provided by state and Federal regulators," Circle said in a tweet late Friday.

Silicon Valley Bank's collapse shows how a bank run can ripple to unexpected parts of the financial world. Just last month, the lender played down its exposure to the once hot, but now hobbled, digital currency space.

“We currently have minimal exposure to cryptocurrency and digital assets through loans to, deposits from and investments in clients engaged in those industries,” the bank wrote in its annual report published in February.

It was the inverse, the exposure of Circle to Silicon Valley Bank that mattered in this case.

Circle has portrayed itself as a sober player in the rough and tumble cryptocurrency world. It has tried to assure users of its safety by openly disclosing the composition of the dollars backing up USD Coin.

As with Silicon Valley Bank, Circle is a creature of the tech startup community. It earned early backing from Silicon Valley firms and later started its own Circle Ventures investment firm.

It also has deep ties on Wall Street. Circle has raised around \$850 million from investors including asset manager BlackRock Inc., Fidelity Management and hedge fund firm Marshall Wace. Bank of New York Mellon Corp. serves as the primary custodian for USD Coin reserves, according to Circle.

Circle called off an attempt to go public through a special-purpose acquisition company, or SPAC, in December but has said it was determined to list on public markets. It has also pushed for the Federal Reserve to regulate the stablecoin industry.

Last week, the Fed’s top banking regulator spotlighted stablecoins as a potential threat to financial stability and called on lawmakers to create legislation surrounding them.

Crypto exchange Coinbase paused conversions between USD Coin and the U.S. dollar over the weekend, the crypto exchange said Friday, citing heightened activity. The world’s largest crypto exchange Binance temporarily suspended its auto conversion from USD Coin to Binance USD, the firm said Friday.

Some crypto executives questioned whether Circle has enough assets to cover its liabilities.

“Are you solvent?” David Schwartz, chief technology officer at crypto company Ripple, asked on Twitter in response to a post from Circle.

As the collapse of Silicon Valley Bank roiled the startup sector Friday, some crypto firms rushed to assure the public that they wouldn’t be affected by the failed bank. Binance,

Coinbase, Galaxy Digital and Gemini said they have no banking relationship with Silicon Valley Bank.

Paolo Ardoino, chief technology officer of Tether, said the issuer of the world's largest stablecoin doesn't have any exposure to Silicon Valley Bank. Tether has a market cap of around \$73 billion, down from \$74 billion late Friday, while USD Coin's market cap is roughly \$40 billion, down from about \$41 billion, according to data from CoinMarketCap.

Some traders swapped other stablecoins for tether. Demand was so strong that tether traded slightly above its \$1 peg on Coinbase, Binance and other exchanges.

"The big winner right now is tether," said Austin Campbell, adjunct professor at Columbia Business School. "They are still functioning and liquid, traded above peg, and they don't have exposure to SVB."

Mr. Campbell, former head of portfolio management at stablecoin issuer Paxos Trust Company, said hedge fund traders are trying to price the recovery value of SVB and figure out how Circle is going to redeem when banks are open on Monday.

In May, TerraUSD, a so-called algorithmic stablecoin fell below its fixed value of \$1, triggering a selloff that also dragged down its sister token luna to zero. The demise of the two cryptocurrencies wiped out \$40 billion of market value and set off a series of crypto collapses in 2022. The death spiral of TerraUSD, which also pushed tether down to as low as 96 cents, has shaken investor confidence in stablecoins and made them jittery about any signs of depegging that might kick off a crash.

Circle isn't the only crypto company affected by the collapse of Silicon Valley Bank. Crypto lender BlockFi, which filed for bankruptcy in November, had roughly \$227 million in unprotected funds at the bank, the U.S. Trustee, a unit at the Justice Department overseeing bankruptcies, said in a court filing Friday.

Circle launched USD Coin with Coinbase in 2018. The two companies have a revenue-sharing agreement on the interest income earned from reserves backing the stablecoin.

The rise in interest rates over the past year created a massive windfall for Circle because it pays no interest to the holders of USD Coin while keeping the interest earned on the bank deposits and government bonds Circle holds to back up the stablecoin.

Asked if Circle was a moneymaking machine in an interview in January, Circle founder Jeremy Allaire said, “It is.” He added: “Monetization really scaled up in 2022.”

—*Patricia Kowsmann contributed to this article.*

Write to Vicky Ge Huang at vicky.huang@wsj.com and Hannah Miao at hannah.miao@wsj.com

Corrections & Amplifications

One money-market fund saw its net asset value fall below \$1 during the 2008 financial crisis, known as “breaking the buck.” An earlier version of this article incorrectly said more than one did. (March 11)

The Effects of FTX

Coverage of the crypto market and the exchange’s bankruptcy, selected by editors

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Crypto Crisis: A Timeline of Key Events

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Honors Student Turned to Crime at FTX

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Crypto Bank Silvergate to Shut Down

The Investors Still Betting on Crypto

**Trader Says Code Allowed Him to Withdraw
Millions**

**Why the SEC Is Cracking Down on Crypto
Staking**

Appeared in the March 13, 2023, print edition as ‘USD Coin Breaks Peg With Dollar Over Bank Ties’.

Exhibit E

Markets

DAI Depegs to Lifetime Lows as Stablecoin Rout Plagues Crypto

MakerDAO’s decentralized stablecoin hit an all-time low of \$0.88 in Asian afternoon hours on Saturday.

By Sam Reynolds

🕒 Mar 11, 2023 at 5:24 a.m. EST

Updated Mar 11, 2023 at 7:24 a.m. EST

f in 🐦 ✉



Money Cash Currency Bills (Pixabay)



Join the most important conversation in crypto
and Web3 taking place in Austin, Texas, April 26-
28.

Secure Your Seat

As the market continues to digest the impact of the sudden collapse of tech-focused **Silicon Valley Bank**, days after **Silvergate went into voluntary liquidation**, algorithmic stablecoin DAI has been knocked off its peg and **has hit an all-time low of 0.88 cents**.





DAI is currently trading at \$0.90 according to CoinGecko data.

DAI is an algorithmic stablecoin that is collateralized by holdings from MakerDAO which includes USDC. Traders are speculating that Circle, which issues USDC, has **worse exposure** to Silicon Valley Bank **than the \$3.3 of the \$40 billion** backing USDC it disclosed.

On-chain data from Dune shows that \$563 million of DAI was burnt in the last 24 hours. In total, the stablecoin has a market cap of \$4.9 billion.

Curve 3pool's liquidity pool **has also been hit as traders flee USDC**. As of Saturday afternoon Hong Kong Time, the pool's share of USDT **has shrunk to less than 1.5%**. Earlier this week it was split evenly between USDT, USDC, and DAI as is supposed to occur.

Meanwhile, Tron's USDD has also been knocked off its peg and is down to \$0.93. Tether remains pegged at \$1.

	BTC	\$23,526.32	▲ 14.25%	→
	ETH	\$1,646.24	▲ 11.75%	→
	BNB	\$306.22	▲ 10.62%	→
	XRP	\$0.37071670	▲ 4.21%	→



APT

\$11.93

▲ 16.26%

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Sam Reynolds

[Follow @thesamreynolds on Twitter](#)

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Read more about

DAI

USDC

Stablecoins

USDT

Trending

1

Generation C

Breaking Down Web3 Gaming, Wallet as a Service and Tokenization With CoinDesk's Rosie Perper, Deputy Managing Editor for Web3

Mar 13, 2023



2

Finance

Bitcoin Miner Marathon Says It Still Has Access to \$142M at Signature Bank

Mar 13, 2023



3

Finance

USDC Stablecoin Regains Dollar Peg After Silicon Valley Bank-Induced Chaos

Mar 13, 2023



4

Mercados

Bitcoin y los futuros de acciones estadounidenses eliminan las ganancias iniciales mientras el First Republic Bank se hunde 60%

Mar 13, 2023



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English

Exhibit F

Christopher T. Berg

From: Christopher T. Berg
Sent: Tuesday, February 28, 2023 4:02 PM
To: Nitoj Singh (Dhillon Law)
Cc: Harmeet K. Dhillon (Dhillon Law); Diane Torosyan; Ben Kussman; Eric M. George
Subject: RE: Ryan Breslow et al. / Mark Phillips / Movement DAO [IWOV-DOCSLA.FID393189]
Attachments: 2023.02.28 - Dkt 18 - Order Granting Plaintiffs' Emergency Ex Parte Application for TRO.pdf

Nitoj,

You and Harmeet should be receiving an FTP with files for service momentarily. I am attaching one of the items from the package so its importance is not overlooked: the order granting our clients' ex parte application for a temporary restraining order.

We will be monitoring the DAO accounts for your client's prompt compliance, particularly as to subparagraph (c) at page 5 of the order.

Regards,

Christopher T. Berg | Partner
ELLIS GEORGE CIPOLLONE
ELLIS GEORGE CIPOLLONE O'BRIEN ANNAGUEY LLP
2121 Avenue of the Stars, 30th Floor
Los Angeles, California 90067
T 310.274.7100 | F 310.275.5697
cberg@egcfirm.com
www.egcfirm.com

From: Nitoj Singh (Dhillon Law) <nsingh@dhillonlaw.com>
Sent: Tuesday, February 28, 2023 11:32 AM
To: Christopher T. Berg <cberg@egcfirm.com>
Cc: Harmeet K. Dhillon (Dhillon Law) <harmeet@dhillonlaw.com>; Diane Torosyan <dtorosyan@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>
Subject: RE: Ryan Breslow et al. / Mark Phillips / Movement DAO

Yes, email is fine.

--

Nitoj P. Singh
Partner
Dhillon Law Group Inc.

177 Post Street, Suite 700
San Francisco, CA 94108

Email: nsingh@dhillonlaw.com
O: 415.433.1700



From: Christopher T. Berg <cberg@egcfirm.com>

Sent: Tuesday, February 28, 2023 11:27 AM

To: Nitoo Singh (Dhillon Law) <nsingh@dhillonlaw.com>

Cc: Harmeet K. Dhillon (Dhillon Law) <harmeet@dhillonlaw.com>; Diane Torosyan <dtorosyan@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>

Subject: Re: Ryan Breslow et al. / Mark Phillips / Movement DAO

External Email

Thank you. Will you consent to accept service via email?

From: Nitoo Singh (Dhillon Law) <nsingh@dhillonlaw.com>

Sent: Tuesday, February 28, 2023 8:59:08 AM

To: Christopher T. Berg <cberg@egcfirm.com>

Cc: Harmeet K. Dhillon (Dhillon Law) <harmeet@dhillonlaw.com>; Diane Torosyan <dtorosyan@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>

Subject: RE: Ryan Breslow et al. / Mark Phillips / Movement DAO

We will accept service on behalf of Mark Phillips.

--

Nitoo P. Singh

Partner

Dhillon Law Group Inc.

177 Post Street, Suite 700
San Francisco, CA 94108

Email: nsingh@dhillonlaw.com

O: 415.433.1700



From: Christopher T. Berg <cberg@egcfirm.com>

Sent: Tuesday, February 28, 2023 8:36 AM

To: Nitoo Singh (Dhillon Law) <nsingh@dhillonlaw.com>

Cc: Harmeet K. Dhillon (Dhillon Law) <harmeet@dhillonlaw.com>; Diane Torosyan <dtorosyan@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>

Subject: RE: Ryan Breslow et al. / Mark Phillips / Movement DAO

External Email

Please let us know if you are authorized to accept service on behalf of your client Mark Phillips. An order has issued in connection with this matter.

Christopher T. Berg | Partner

ELLIS GEORGE CIPOLLONE

ELLIS GEORGE CIPOLLONE O'BRIEN ANNAGUEY LLP

2121 Avenue of the Stars, 30th Floor

Los Angeles, California 90067

T 310.274.7100 | F 310.275.5697

cberg@egcfirm.com

www.egcfirm.com

From: Eric M. George <egeorge@egcfirm.com>

Sent: Monday, February 13, 2023 10:04 AM

To: Nitoy Singh (Dhillon Law) <nsingh@dhillonlaw.com>

Cc: Harmeet K. Dhillon (Dhillon Law) <harmeet@dhillonlaw.com>; Christopher T. Berg <cberg@egcfirm.com>; Diane Torosyan <dtorosyan@egcfirm.com>

Subject: Re: Ryan Breslow et al. / Mark Phillips / Movement DAO

Thanks -

Hi Harmeet - very glad you guys are involved.

Can we all get on a call this afternoon w my partner Chris, cc'd here?

Thanks

Eric

Sent from my iPhone

On Feb 12, 2023, at 7:06 PM, Nitoy Singh (Dhillon Law) <nsingh@dhillonlaw.com> wrote:

Dear Counsel:

We will be representing Mark Phillips and Movement DAO in relation to the claims asserted in your February 10, 2023 letter. We are reviewing the matter now, and will respond shortly to the substance of your letter. Please direct all future communications concerning this matter to our attention.

Nitoy

--

Nitoy P. Singh

Partner

Dhillon Law Group Inc.

177 Post Street, Suite 700

San Francisco, CA 94108

Email: nsingh@dhillonlaw.com

O: 415.433.1700



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Exhibit G

Christopher T. Berg

From: Nitoy Singh (Dhillon Law) <nsingh@dhillonlaw.com>
Sent: Sunday, March 12, 2023 9:04 PM
To: Christopher T. Berg; Matthew Sarelson (Dhillon Law)
Cc: Jesse Franklin-Murdock (Dhillon Law); Andrew R. Iglesias; Ben Kussman; Eric M. George
Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA [IWOV-DOCSLA.FID393189]

Chris,

Given that 1) all depositors of SVB, including Circle, will be made whole; 2) Circle has taken steps to stabilize USDC, and it has stabilized at approximately \$1; 3) MakerDAO has taken steps to stabilize DAI, and it has stabilized at approximately \$1; and crypto markets are generally up on the news, there is no immediate risk to the DAO's endowment assets. Accordingly, my clients will not stipulate to converting the DAO's assets to dollars to be held in escrow.

Nitoy

--

Nitoy P. Singh
Partner

Dhillon Law Group Inc.

177 Post Street, Suite 700
San Francisco, CA 94108

Email: nsingh@dhillonlaw.com
O: 415.433.1700



From: Christopher T. Berg <cberg@egcfirm.com>
Sent: Sunday, March 12, 2023 10:18 AM
To: Nitoy Singh (Dhillon Law) <nsingh@dhillonlaw.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>
Cc: Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>; Andrew R. Iglesias <aiglesias@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>
Subject: Re: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA [IWOV-DOCSLA.FID393189]

External Email

Nitoy,

We just spoke on the phone about you providing your clients' position by close of business Monday regarding whether your clients would oppose a request to the Court to convert DAO endowment funds to dollars and hold in escrow pending the outcome of the litigation. That timing no longer works. We just learned that there may be an announcement Monday morning about how much Silicon Valley Bank will make depositors whole. That announcement will likely disrupt cryptocurrency markets and further imperil the DAO endowment's assets.

As a result, we need your clients' position by the end of the day (Sunday), so we can get our request to the Court by Monday morning.

Chris

From: Nitoh Singh (Dhillon Law) <nsingh@dhillonlaw.com>
Sent: Saturday, March 11, 2023 5:02:44 PM
To: Christopher T. Berg <cberg@egcfirm.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>
Cc: Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>; Andrew R. Iglesias <aiglesias@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>
Subject: Re: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA [IWOV-DOCSLA.FID393189]

My mobile: 510.520.9087.

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From: Christopher T. Berg <cberg@egcfirm.com>
Sent: Saturday, March 11, 2023 5:01:10 PM
To: Nitoh Singh (Dhillon Law) <nsingh@dhillonlaw.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>
Cc: Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>; Andrew R. Iglesias <aiglesias@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>
Subject: Re: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA [IWOV-DOCSLA.FID393189]

External Email

Yes. Best number?

From: Nitoh Singh (Dhillon Law) <nsingh@dhillonlaw.com>
Sent: Saturday, March 11, 2023 4:02:25 PM
To: Christopher T. Berg <cberg@egcfirm.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>
Cc: Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>; Andrew R. Iglesias <aiglesias@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>
Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA [IWOV-DOCSLA.FID393189]

How is 10am tomorrow?

--

Nitoh P. Singh
Partner

Dhillon Law Group Inc.

177 Post Street, Suite 700
San Francisco, CA 94108

Email: nsingh@dhillonlaw.com

O: 415.433.1700



From: Christopher T. Berg <cberg@egcfirm.com>

Sent: Saturday, March 11, 2023 11:31 AM

To: Nitoj Singh (Dhillon Law) <nsingh@dhillonlaw.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>; Andrew R. Iglesias <aiglesias@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>

Subject: Re: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA [IWOV-DOCSLA.FID393189]

External Email

Nitoj,

I did not receive a response to my Thursday email requesting to meet and confer. There are exigent circumstances that require a meet and confer, including the declining price of DAI. Please let me know your availability over the weekend.

From: Christopher T. Berg

Sent: Thursday, March 9, 2023 9:05:33 AM

To: Nitoj Singh (Dhillon Law) <nsingh@dhillonlaw.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>; Andrew R. Iglesias <aiglesias@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>

Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA [IWOV-DOCSLA.FID393189]

Nitoj,

Please let me know your availability tomorrow to meet and confer on your clients' compliance with the TRO.

Chris

Christopher T. Berg | Partner

ELLIS GEORGE CIPOLLONE

ELLIS GEORGE CIPOLLONE O'BRIEN ANNAGUEY LLP

2121 Avenue of the Stars, 30th Floor

Los Angeles, California 90067

T 310.274.7100 | F 310.275.5697

cberg@egcfirm.com

www.egcfirm.com

From: Christopher T. Berg

Sent: Monday, March 6, 2023 3:15 PM

To: Nitoj Singh (Dhillon Law) <nsingh@dhillonlaw.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>; Andrew R. Iglesias <aiglesias@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Eric M. George <egeorge@egcfirm.com>

Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA [IWOV-DOCSLA.FID393189]

Nitoj,

I want to make sure I'm reading your email correctly. I don't believe it indicated whether your clients agreed to transfer today (3/6/2023) the assets described in your email below. Do they agree to do that? As I said on the call, we will agree to the briefing schedule you proposed if and only if the assets described below are moved today. That was the sum and

substance of our discussion on the call. The only outstanding item we were waiting for after the call was whether your clients would agree to do that. Our discussion was not contingent on "should the transfer be made," as you characterized it in your email.

As you know, your clients were already required to have made that transfer, as well as return all other assets that they transferred out of the gnosis.movedao.eth account since February 2, 2023. We expect the remaining transferred assets to be returned by the end of the week, or we will need to know what good cause prevents that from occurring.

Thanks,

Chris

Christopher T. Berg | Partner
ELLIS GEORGE CIPOLLONE
ELLIS GEORGE CIPOLLONE O'BRIEN ANNAGUEY LLP
2121 Avenue of the Stars, 30th Floor
Los Angeles, California 90067
T 310.274.7100 | F 310.275.5697
cberg@egcfirm.com
www.egcfirm.com

From: Nitoj Singh (Dhillon Law) <nsingh@dhillonlaw.com>

Sent: Monday, March 6, 2023 2:39 PM

To: Christopher T. Berg <cberg@egcfirm.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>; Andrew R. Iglesias <aiglesias@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>

Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

Chris,

Thanks for your time earlier today. To summarize our discussions, my clients are today prepared to have the following assets in the following accounts:

Account: developer.movedao.eth (eth:0x143cC0A996De329C1C5723Ee4F15D2a40c1203c6)

Assets: DAI 4,217.951 and ETH 723.69

Account: benreed.eth (0xA4e6C2B6264652444B3F0cc1bB37496AE916931c)

Assets: ETH 149.53

moved to the following account:

gnosis.movedao.eth (eth:0x143cC0A996De329C1C5723Ee4F15D2a40c1203c6).

Should the transfer be made, your clients will agree to one week continuance of deadlines and hearing as proposed in my March 3rd email below. We would note that it is preferable to leave a small amount in each account, such as 1 ETH, for gas fees for this and future transfers, as these accounts are signers on other accounts. If you agree, we will prepare a proposed stipulation for the Court and have the assets moved.

Please advise.

Nitoj

--

Nitoj P. Singh

Partner

Dhillon Law Group Inc.

177 Post Street, Suite 700
San Francisco, CA 94108

Email: nsingh@dhillonlaw.com

O: 415.433.1700



From: Nitoy Singh (Dhillon Law)

Sent: Sunday, March 5, 2023 2:53 PM

To: Christopher T. Berg <cberg@egcfirm.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>; Andrew R. Iglesias <aiglesias@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>

Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

Will do.

--

Nitoy P. Singh

Partner

Dhillon Law Group Inc.

177 Post Street, Suite 700
San Francisco, CA 94108

Email: nsingh@dhillonlaw.com

O: 415.433.1700



From: Christopher T. Berg <cberg@egcfirm.com>

Sent: Saturday, March 4, 2023 7:05 PM

To: Nitoy Singh (Dhillon Law) <nsingh@dhillonlaw.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>; Andrew R. Iglesias <aiglesias@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>

Subject: Re: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

External Email

10:30 am PT Monday works. We can use this dial in.

Toll Free Dial In Number: 888-206-2266

Toll Dial In Number (outside U.S.): 713-481-0090

Participant Passcode: 3587650#

From: Nitoy Singh (Dhillon Law) <nsingh@dhillonlaw.com>

Sent: Saturday, March 4, 2023 9:49:07 AM

To: Christopher T. Berg <cberg@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Ben Cameron <bcameron@egcfirm.com>; Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>

Subject: Re: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

How is 9am or 1030am PT Monday?

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From: Christopher T. Berg <cberg@egcfirm.com>

Sent: Saturday, March 4, 2023 9:33:44 AM

To: Nitoy Singh (Dhillon Law) <nsingh@dhillonlaw.com>; Ben Kussman <bkussman@egcfirm.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Ben Cameron <bcameron@egcfirm.com>; Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>

Subject: Re: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

External Email

Nitoy,

Please let me know your availability on Monday to meet and confer on this issue.

Chris

From: Nitoy Singh (Dhillon Law) <nsingh@dhillonlaw.com>

Sent: Saturday, March 4, 2023 9:19:28 AM

To: Christopher T. Berg <cberg@egcfirm.com>; Ben Kussman <bkussman@egcfirm.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Ben Cameron <bcameron@egcfirm.com>; Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>

Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

Chris,

My clients understand their obligations under the TRO. You can confirm, as all transfers on the blockchain are public and easily searchable, that there hasn't been a further transfer of DAO assets. We will provide a full accounting to the Court, are will unwind certain of the transactions after the accounting is completed. However, some of those transactions resulted in movement to accounts my clients don't control. These include overdue payments to DAOLabs independent contractors, as well as a payment, I believe to your client Jon Gordon. Accordingly, we cannot commit unwinding all transactions by any date.

Please confirm by the end of the day Sunday you will agree to the proposed continuance, or we will move for the same continuance.

Nitoj

--

Nitoj P. Singh

Partner

Dhillon Law Group Inc.

177 Post Street, Suite 700
San Francisco, CA 94108

Email: nsingh@dhillonlaw.com

O: 415.433.1700



From: Christopher T. Berg <cberg@egcfirm.com>

Sent: Friday, March 3, 2023 1:18 PM

To: Nitoj Singh (Dhillon Law) <nsingh@dhillonlaw.com>; Ben Kussman <bkussman@egcfirm.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Ben Cameron <bcameron@egcfirm.com>; Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>

Subject: Re: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

External Email

Nitoj,

If this is going to carry on longer than the 16th, we need to have a date certain by which your clients will fully comply with the TRO, including when they will return funds to the DAO endowment's Gnosis account. That still has not occurred, despite the Court's order.

If your clients will return all transfers out of the DAO endowment account per the terms of the TRO by March 16, we will agree to the schedule you propose.

Please let me know if you agree.

Chris

From: Nitoj Singh (Dhillon Law) <nsingh@dhillonlaw.com>

Sent: Friday, March 3, 2023 10:40:50 AM

To: Ben Kussman <bkussman@egcfirm.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Christopher T. Berg <cberg@egcfirm.com>; Ben Cameron <bcameron@egcfirm.com>; Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>

Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

Chris, Ben,

Are you amenable to a one-week continuance of the current briefing deadlines and hearing date? I've got some conflicts and its proving difficult to schedule around them. We would stipulate that the TRO remains in place to the new hearing date. Here is the proposed schedule: Opposition due March 16, Reply March 20th, and a hearing on March 23rd. If that works for you, we will draft a stipulation.

Thanks,
Nitoj

--

Nitoj P. Singh
Partner

Dhillon Law Group Inc.

177 Post Street, Suite 700
San Francisco, CA 94108

Email: nsingh@dhillonlaw.com

O: 415.433.1700



From: Nitoj Singh (Dhillon Law)

Sent: Friday, March 3, 2023 9:05 AM

To: Ben Kussman <bkussman@egcfirm.com>; Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>

Cc: Christopher T. Berg <cberg@egcfirm.com>; Ben Cameron <bcameron@egcfirm.com>; Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>

Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

Hi Ben,

Email service is fine.

Thanks,
Nitoj

--

Nitoj P. Singh
Partner

Dhillon Law Group Inc.

177 Post Street, Suite 700
San Francisco, CA 94108

Email: nsingh@dhillonlaw.com

O: 415.433.1700



From: Ben Kussman <bkussman@egcfirm.com>
Sent: Friday, March 3, 2023 7:40 AM
To: Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>
Cc: Christopher T. Berg <cberg@egcfirm.com>; Ben Cameron <bcameron@egcfirm.com>; Nitoj Singh (Dhillon Law) <nsingh@dhillonlaw.com>; Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>
Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

External Email

Thanks, Matthew.

And to clarify, please confirm that you're authorized to accept service by email (as opposed to personal service).

Ben Kussman | Associate
ELLIS GEORGE CIPOLLONE
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2121 Avenue of the Stars, 30th Floor
Los Angeles, California 90067
Main 310.274.7100 | Fax 310.275.5697
bkussman@egcfirm.com
www.egcfirm.com

From: Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>
Sent: Friday, March 3, 2023 7:39 AM
To: Ben Kussman <bkussman@egcfirm.com>
Cc: Christopher T. Berg <cberg@egcfirm.com>; Ben Cameron <bcameron@egcfirm.com>; Nitoj Singh (Dhillon Law) <nsingh@dhillonlaw.com>; Jesse Franklin-Murdock (Dhillon Law) <JFM@dhillonlaw.com>
Subject: RE: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

Thanks Ben, nice seeing you again.

I'm copying Nitoy Singh on this email, he's in charge.

Thanks!

Matt Sarelson, Esq.
Dhillon Law Group Inc.
msarelson@dhillonlaw.com
305.773.1952 (cell)

From: Ben Kussman <bkussman@egcfirm.com>
Sent: Friday, March 3, 2023 10:37 AM
To: Matthew Sarelson (Dhillon Law) <Msarelson@dhillonlaw.com>
Cc: Christopher T. Berg <cberg@egcfirm.com>; Ben Cameron <bcameron@egcfirm.com>
Subject: Breslow, et al v. Phillips, et al: Case No. 1:23-cv-20727-RKA

External Email

Hi Matthew,

Please let me know if you're authorized to accept service on behalf of Benjamin Reed in the above-referenced case.

Thanks.

Ben Kussman | Associate

ELLIS GEORGE CIPOLLONE

ELLIS GEORGE CIPOLLONE O'BRIEN ANNAGUEY LLP

2121 Avenue of the Stars, 30th Floor

Los Angeles, California 90067

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bkussman@egcfirm.com

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Exhibit H

Captured at: 03/13/2023, 12:25 PM
URL: https://apnews.com/article/silicon-valley-bank-bailout-yellen-deposits-failure-94f2185742981daf337c4691bbb9ec1e



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US government moves to stop potential banking crisis

By KEN SWEET, CHRISTOPHER RUGABER, CHRIS MEGERIAN and CATHY BUSSEWITZ today



Chris Megerian
I write about President Joe Biden and the White House.
chrismegerian
cmegerian@ap.org



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NEW YORK (AP) — The U.S. government took extraordinary steps Sunday to stop a potential banking crisis after the historic failure of Silicon Valley Bank, assuring all depositors at the failed institution that they could access all their money quickly, even as another major bank was shut down.

The announcement came amid fears that the factors that caused the Santa Clara, California-based bank to fail could spread. Regulators had worked all weekend to try to find a buyer for the bank, which was the second-largest bank failure in history. Those efforts appeared to have failed Sunday.

In a sign of how fast the financial bleeding was occurring, regulators announced that New York-based Signature Bank had also failed and was being seized on Sunday. At more than \$110 billion in assets, Signature Bank is the third-largest bank failure in U.S. history.

The near-financial crisis that U.S. regulators had to intervene to prevent left Asian markets jittery as trading began Monday. Japan's benchmark Nikkei 225 sank 1.6% in morning trading, Australia's S&P/ASX 200 lost 0.3% and South Korea's Kospi shed 0.4%. But Hong Kong's Hang Seng rose 1.4% and the Shanghai Composite increased 0.3%.

In an effort to shore up confidence in the banking system, the Treasury Department, Federal Reserve and FDIC said Sunday that all Silicon Valley Bank clients would be protected and able to access their money. They also announced steps that are intended to protect the bank's customers and prevent additional bank runs.

BUSINESS

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"This step will ensure that the U.S. banking system continues to perform its vital roles of protecting deposits and providing access to credit to households and businesses in a manner that promotes strong and sustainable economic growth," the agencies said in a joint statement.

Under the plan, depositors at Silicon Valley Bank and Signature Bank, including those whose holdings exceed the \$250,000 insurance limit, will be able to access their money on Monday.

Also Sunday, another beleaguered bank, First Republic Bank, announced that it had bolstered its

financial health by gaining access to funding from the Fed and JPMorgan Chase.

In a separate announcement, the Fed late Sunday announced an expansive emergency lending program that's intended to prevent a wave of bank runs that would threaten the stability of the banking system and the economy as a whole. Fed officials characterized the program as akin to what central banks have done for decades: Lend freely to the banking system so that customers would be confident that they could access their accounts whenever needed.

The lending facility will allow banks that need to raise cash to pay depositors to borrow that money from the Fed, rather than having to sell Treasuries and other securities to raise the money. Silicon Valley Bank had been forced to dump some of its Treasuries at a loss to fund its customers' withdrawals. Under the Fed's new program, banks can post those securities as collateral and borrow from the emergency facility.

The Treasury has set aside \$25 billion to offset any losses incurred under the Fed's emergency lending facility. Fed officials said, however, that they do not expect to have to use any of that money, given that the securities posted as collateral have a very low risk of default.

Analysts said the Fed's program should be enough to calm financial markets on Monday.

"Monday will surely be a stressful day for many in the regional banking sector, but today's action dramatically reduces the risk of further contagion," economists at Jefferies, an investment bank, said in a research note.

Though Sunday's steps marked the most extensive government intervention in the banking system since the 2008 financial crisis, its actions are relatively limited compared with what was done 15 years ago. The two failed banks themselves have not been rescued, and taxpayer money has not been provided to the banks.

President Joe Biden said Sunday evening as he boarded Air Force One back to Washington that he would speak about the bank situation on Monday. In a statement, Biden also said he was "firmly committed to holding those responsible for this mess fully accountable and to continuing our efforts to strengthen oversight and regulation of larger banks so that we are not in this position again."

Regulators had to rush to close Silicon Valley Bank, a financial institution with more than \$200 billion in assets, on Friday when it experienced a traditional run on the bank where depositors rushed to withdraw their funds all at once. It is the second-largest bank failure in U.S. history, behind only the 2008 failure of Washington Mutual.

Some prominent Silicon Valley executives feared that if Washington didn't rescue the failed bank, customers would make runs on other financial institutions in the coming days. Stock prices plunged over the last few days at other banks that cater to technology companies, including First Republic Bank and PacWest Bank.

Among the bank's customers are a range of companies from California's wine industry, where many wineries rely on Silicon Valley Bank for loans, and technology startups devoted to combating climate change. Sunrun, which sells and leases solar energy systems, had less than \$80 million of cash deposits with Silicon Valley. Stitchfix, the clothing retail website, disclosed recently that it had a credit line of up to \$100 million with Silicon Valley Bank and other lenders.

Tiffany Dufu, founder and CEO of The Cru, a New York-based career coaching platform and community for women, posted a video Sunday on LinkedIn from an airport bathroom, saying the bank crisis was testing her resiliency. Given that her money was tied up at Silicon Valley Bank, she had to pay her employees out of her personal bank account. With two teenagers to support who will be heading to college, she said she was relieved to hear that the government's intent is to make depositors whole.

"Small businesses and early-stage startups don't have a lot of access to leverage in a situation like this, and we're often in a very vulnerable position, particularly when we have to fight so hard to get the wires into your bank account to begin with, particularly for me, as a Black female founder," Dufu told The Associated Press.

Silicon Valley Bank began its slide into insolvency when its customers, largely technology companies that needed cash as they struggled to get financing, started withdrawing their deposits. The bank had to sell bonds at a loss to cover the withdrawals, leading to the largest failure of a U.S. financial institution since the height of the financial crisis.

Treasury Secretary Janet Yellen pointed to rising interest rates, which have been increased by the Federal Reserve to combat inflation, as the core problem for Silicon Valley Bank. Many of its assets, such as bonds or mortgage-backed securities, lost market value as rates climbed.

Sheila Bair, who was chairwoman of the FDIC during the 2008 financial crisis, recalled that with nearly all the bank failures then, "we sold a failed bank to a healthy bank. And usually, the healthy acquirer would also cover the uninsured because they wanted the franchise value of those large depositors so optimally, that's the best outcome."

But with Silicon Valley Bank, she told NBC's "Meet the Press," "this was a liquidity failure, it was a bank run, so they didn't have time to prepare to market the bank. So they're having to do that now, and playing catch-up."

Rugaber and Megerian reported from Washington. Sweet and Bussewitz reported from New York.

Associated Press Writers Hope Yen in Washington and Jennifer McDermott in Providence, Rhode Island, contributed to this report.

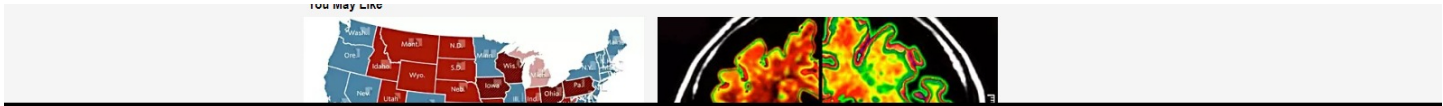


Exhibit I

Stock-market volatility gauge VIX jumps more than 22% early Monday →



Biden says Americans can have confidence that the U.S. banking system is safe →



The New York Post

How Silicon Valley Bank's failure could spark a run on regional banks

Last Updated: March 11, 2023 at 9:32 p.m. ET

First Published: March 11, 2023 at 6:04 p.m. ET

By Lydia Moynihan

Regional and midsized banks across the country could come under significant pressure if wealthy depositors pull their money out of accounts that have grown too large for FDIC coverage



A customer in Santa Clara, Calif., reads a notice about the closure of Silicon Valley Bank branches on Friday.
NOAH BERGER/AGENCE FRANCE-PRESSE/GETTY IMAGES

JPM -1.22% BAC -4.97% SIVB ETSY -3.57% USDCUSD +2.79%

The failure of Silicon Valley Bank could spark a run on other regional and midsized banks across the country if wealthy individuals rush to pull their money out of accounts with values too high for FDIC coverage and flee to larger institutions amid fears that risk to all but the most sizable institutions could be systemic, sources reportedly told the New York Post.

See: [Silicon Valley Bank branches closed by regulator in biggest bank failure since Washington Mutual](#)

“Small regional banks are done,” one unnamed banking source reportedly told the New York Post. “Everyone is going to want to put their money in JPMorgan **JPM, -1.22%** or Bank of America **BAC, -4.97%.**”

If a buyer steps in this weekend to scoop up the assets of SVB Financial Group **SIVB**, , which catered to startups in tech and other industries, a disaster would likely be averted.

But potential buyers are skittish about taking over the collapsed bank without backing from the federal government. There’s simply too much uncertainty and risk associated with a deal unless the government steps in, people described as having knowledge of prospective buyers’ thinking reportedly told the New York Post.

“My instinct is either someone buys the whole thing with concessions from [the] government or it goes to receivership,” one banker close to the negotiations reportedly told the Post.

Silicon Valley Bank was shuttered on Friday by California regulators and [placed into receivership with the Federal Deposit Insurance Corp.](#)

“No one wants to do the deal without a government backstop,” a private-equity insider echoed. “The government needs to prepackage a deal, like they did with Lehman.”

Another banker pointed out [the Lehman Brothers collapse in 2008](#) is still being tied up nearly 15 years after its failure.

“No one wants to take on that kind of headache,” said the private-equity insider.

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One top investment bank sent a note to clients advising them on what could happen if no Silicon Valley Bank buyer steps in, according to a transcription reviewed by the New York Post.

The note outlined how the FDIC is spending the weekend assessing the value of SVB's assets. It will pay out up to \$250,000 in insurance coverage for accounts at that level or below on Monday. The agency will also make a payment, called an advanced dividend, to uninsured depositors as quickly as possible.

"The rest may take anywhere from 60 days to 2 years to get paid out," the note said, adding that companies waiting for payouts will find investors and lenders available to try to finance the amounts the FDIC says they will get. Ultimately SVB clients could get 80 to 90 cents for each dollar they had on deposit, but it could take years for that to happen.

And that may be too late for many of the small businesses with tight ties to the bank.

The wrangling behind the scenes Saturday took place as small businesses across the country, from Etsy **ETSY**, **-3.57%** sellers to Camp toy stores, faced cash crunches because they can't get at their money while the bank is shuttered.

Camp stores sent a desperate message to customers telling them to use BANKRUN as a promo code to buy up products because the toy chain needs cash after its funds were temporarily locked up, or worse, in the collapse of SVB. Etsy sellers took to TikTok to express their fears after they were told funds wouldn't be transferred to their accounts until Monday at the earliest.

It's also spreading to the crypto trading sector.

On Saturday, the value of USD Coin **USDCUSD**, **+2.79%**, a cryptocurrency that's supposed to remain equal in value to the U.S. dollar, fell amid selling sparked by news that the company behind it, Circle Internet Financial, had \$3.3 billion in SVB.

See: Stablecoin USDC falls below \$1, faces \$3.3 billion exposure to Silicon Valley Bank

The digital currency, known as a stablecoin, is key to crypto trading, a sector that's still reeling from the November collapse of the crypto platform FTX.

Separately, the bank's branches in the U.K. were shut down.

The Bank of England said that it would place Silicon Valley Bank's U.K. subsidiary into insolvency procedure late Friday, and that it would stop making payments and accepting deposits.

A version of this report appeared at NYPost.com.



Silicon Valley Bank depositors will get 'all of their money,' regulators say

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Exhibit J

U.S. NEWS

Here's what could happen next for Silicon Valley Bank customers

The FDIC said Friday that SVB would reopen Monday morning under the control of the newly created Deposit Insurance National Bank of Santa Clara.



— Silicon Valley Bank headquarters in Santa Clara, Calif., on Friday.

Philip Pacheco / Bloomberg via Getty Images

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March 12, 2023, 1:21 PM EDT

By Jesse Pound, CNBC

Silicon Valley Bank's customers, along with investors and bankers across the globe, are waiting for an announcement from U.S. regulators about what comes next after the largest [bank failure since 2008](#).

The Federal Deposit Insurance Corp. said Friday that SVB would reopen on Monday morning, under the control of the newly created Deposit Insurance National Bank of Santa Clara. Once that happens, insured depositors with up to \$250,000 in their accounts will be able to access their money.

But the majority of deposits at SVB were not insured, and it is unclear when those customers will be able to access their money – or whether they will get all of it back. SVB's role as a key bank for start-ups and other venture-backed companies means that many firms could struggle to meet payroll and other obligations if their money is not quickly recovered.

Many investors on Wall Street and in Silicon Valley are anticipating additional information to be announced at some point on Sunday. Here's a look at some of the paths forward from here.

Regulators' options

Treasury Secretary Janet Yellen [said Sunday](#) that a bailout of SVB is not on the table but that regulators are exploring other options.

"We are concerned about depositors and are focused on trying to meet their needs," Yellen said on CBS' "Face the Nation."

"This is really a decision for the FDIC, as it decides on what the best course is to resolve this firm," she added.

One potential option could be to use the FDIC's systemic risk exception tool to backstop the uninsured deposits at SVB. Under the [Dodd-Frank Act](#), that move would need to be made in concert with the Treasury Secretary and the Federal Reserve.

Additionally, Bloomberg News reported on Saturday that regulators were weighing creating a [special investment vehicle](#) that would backstop uninsured deposits at other banks, which could keep the bank run from spreading in the coming week.

Another possibility is if another bank stepped up to buy part or all of SVB. This happened during the financial crisis, including when [JPMorgan Chase absorbed Washington Mutual in 2008](#). Bloomberg News reported on Sunday that the FDIC is running an [auction process for SVB](#).

Sen. Mark Warner (D-Va.), a member of the Senate Committee on Banking, Housing, and Human Affairs, said on ABC's "This Week" that the "best outcome is an acquisition of SVB."

Historically, such acquisitions have often happened over weekends. Once the bank opens on Monday, more depositors could pull their money out, making a sale more difficult.

Silicon Valley Bank collapses in biggest bank failure since Great Recession



FDIC asset sales

If there is no buyer for SVB or a new backstop created by regulators, then the FDIC will be selling off SVB's assets in order to raise cash that would be used to repay uninsured depositors.

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SVB had tens of billions of dollars in agency mortgage-backed securities. Those assets are highly liquid and could in theory be sold quickly with little loss. Regulatory reforms since the 2008 financial crisis have also made mortgage-backed securities much safer than the ones that contributed to financial stability issues back then.

The FDIC said on Friday that uninsured depositors would get a receivership certificate and be paid an advanced dividend payment within a week.

Bloomberg News reported on Saturday night that between **30% and 50%** of the uninsured deposits could be returned as soon as Monday.

Other assets held by SVB include loans that are less liquid and may be more difficult to sell. That process could take several weeks or more and end with uninsured deposits being restored at less than 100%.

Some SVB customers, such as businesses, may be able to sell their deposit claims to other financial firms at a discount in order to raise money more quickly than the FDIC process.

Impacts on markets, other banks

Investors have warned that the failure of government regulators to announce a new plan for restoring SVB's deposits **could lead to cascading issues** in other small- and mid-sized banks as well as financial markets.

One concerning outcome would be for customers to withdraw money in large amounts from other banks and shift them to the largest U.S. banks that the government has defined as systemically important. Customers withdrew more than **\$42 billion from SVB** on Thursday, and similar moves at other banks could strain those firms even if they have stronger balance sheets.

That fear may appear first in financial markets. The U.S. futures market opens at 6 p.m. ET, and many Asian markets open around that time.

The SVB failure has already had an impact on broader markets. The S&P 500 lost 4.55% last week, while regional bank stocks fell 16% for their **worst week since March 2020**.

Jesse Pound, CNBC

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Exhibit K



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Silicon Valley Bank failure could spark run on regional banks: sources

By [Lydia Moynihan](#) and [Charles Gasparino](#)

March 11, 2023 3:49pm Updated

00:32 / 00:32

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HSBC will buy UK subsidiary of collapsed Silicon Valley Bank

The **failure of Silicon Valley Bank** could spark a run on other regional and mid-sized banks across the country, as wealthy individuals rush to pull their money out of accounts too large for FDIC coverage and flee to larger, more stable institutions amid fears the risk could be systemic, sources told The Post.

“Small regional banks are done,” one banking source said. “Everyone is going to want to **put their money in JPMorgan** or Bank of America.”

If a buyer steps in this weekend to scoop up SVB, which catered to start-ups in tech and other industries, it could avert a disaster.

But potential buyers are skittish about taking over the troubled bank without backing from the federal government.

There’s simply too much uncertainty and risk associated with a deal unless the Feds step in, people with knowledge of buyers’ thinking told The Post.

“My instinct is either someone buys the whole thing with concessions from government or it goes to receivership,” one banker close to the negotiations told The Post.

“No one wants to do the deal without a government backstop,” a private equity insider echoed. “The government needs to prepackage a deal, like they did with Lehman.”

Another banker pointed out the Lehman Brothers collapse is still being tied up nearly 15 years after its failure.

“No one wants to take on that kind of headache.”



The collapse of Silicon Valley Bank could lead to a run on other regional banks across the country, sources told The Post.

Photo by Tayfun Coskun/Anadolu Agency via Getty Images

One top investment bank sent a note to clients advising what could happen if no buyers steps in, according to a transcription reviewed by The Post.

The note outlined how the FDIC is spending the weekend assessing the value of SVB's assets. It will pay out up to \$250,000 in insurance coverage for accounts at that level or below on Monday.

Sources also said the CEOs of some major financial firms are imploring the feds to cover deposits greater than the quarter-million-dollar limit, predicting limiting the SVB recovery will lead to a run at other banks, particularly ones with clients that use deposits for funding needs.

However, this is far from a done deal or easy sell.

The agency will also make a payment, called an advanced dividend, to uninsured depositors as quickly as possible.

Follow The Post's coverage of Silicon Valley Bank's collapse

[Collapse of Silicon Valley Bank could alter the course of American innovation: sources](#)

[Silicon Valley Bank failure could spark run on regional banks: sources](#)

[Hedge fund manager warns of economic meltdown after Silicon Valley Bank collapse](#)

“The rest may take anywhere from 60 days to 2 years to get paid out,” the note said, adding that companies waiting for payouts will find investors and lenders available to try to finance the amounts the FDIC says they will get. Ultimately SVB clients could get 80 to 90 cents for each dollar they had on deposit, but it could take years for that to happen.

And that may be too late for many small businesses with ties to the bank.

The wrangling behind the scenes Saturday took place as small businesses across the country, from Etsy sellers to NYC-based Camp toy stores, faced cash crunches because they can't get at their money while the bank is shuttered.

[Camp stores sent a desperate message to customers](#) telling them to use BANKRUN as a promo code to buy up products because they need cash after their funds got locked up and possibly lost in the collapse of SVB. [Etsy sellers took to TikTok](#) to express their fears after they were told funds won't be transferred to their accounts until Monday at the earliest.

It's also spreading to the crypto trading sector.



One banking source declared to The Post that “small regional banks are done” following the collapse.

Photo by Tayfun Coskun/Anadolu Agency via Getty Images

Saturday, the value of USD Coin, a major cryptocurrency that’s supposed to be equal to the US dollar, fell amid selling sparked by news that the company behind it, Circle Internet Financial, had \$3.3 billion in SVB, **The Wall Street Journal reported**. The digital currency, known as a stablecoin, is key to crypto trading, a sector that’s still reeling from the November **collapse of FTX**.

Separately, the bank’s branches in the UK were shut down.

127 What do you think? Post a comment.

The Bank of England said it would place Silicon Valley Bank’s U.K. subsidiary into insolvency procedure late Friday, and that it would stop making payments and accepting deposits, **The Journal reported**.

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SVB CEO Greg Becker had pressed lawmakers in Congress to lessen regulation that placed higher scrutiny on certain banks, claiming that SVB had a "low risk profile of our activities and business model." By 2018, his bank had spent roughly \$500,000 to lobby for the changes that Trump ultimately signe...

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This is how the great depression started. It's like a stack of dominoes. It started with FTX and now Silicone Valley Bank. Who's next? What's happening is similar to last century. First there was an epidemic and then there were bank runs (we're starting to see that now) and a stock market colla...

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Exhibit L

Crypto

Circle Stablecoin Shakiness Reverberates in Crypto World of DeFi

- Circle's USDC is widely used in decentralized finance
- DeFi project MakerDAO proposes changes to reduce exposure

By Muyao Shen

March 11, 2023 at 5:24 PM EST

Decentralized finance, a corner of crypto that is both a practical and philosophical rejection of traditional banking, is being tripped up by the collapse of a brick-and-mortar bank.

As Silicon Valley Bank collapsed on Friday, crypto traders and skeptics alike were on high alert for any revelations that might further shake an asset class already reeling from the fall of Silvergate Capital Corp., one of the few digital-asset friendly banks.

Read: Silvergate Bet Everything on Crypto, Then It All Evaporated

Enter Circle Internet Financial Ltd., issuer of USD Coin – the second-largest stablecoin by circulation. Late on Friday, Circle disclosed that around 8% of the reserves backing the stablecoin was held at the failed Silicon Valley Bank. News of that \$3.3 billion exposure sent its token sharply below \$1, the stablecoin equivalent of a money market fund breaking the buck.

Stablecoins, in contrast to more volatile tokens like Bitcoin or Solana, are intended to hold a set value. They come in a variety of forms and many, like Circle's, are underpinned by reserves such as US

dollars and cash equivalents to ensure they maintain a \$1 peg.

Read: If Stablecoins Are Stable, Why Are Regulators Tense?: QuickTake

The action in USD Coin, which trades under the ticker USDC, reverberated into the decentralized crypto pools that depend heavily on the assumed reliability of stablecoins to function. Decentralized finance protocols let people trade, lend and borrow without intermediaries – and often anonymously – through the use of automated software programs. Investors often park funds in stablecoins as they move between other, more complex kinds of crypto trades.

Top USDC Balance Holders

DeFi projects are among biggest USDC users

Source: Nansen

“While centralized stablecoins such as USDC have been a boon for payments and accessibility, they carry the downsides that come with reliance on any centralized actor, even one as transparent and upstanding at Circle,” Tom Schmidt, general partner at crypto investment firm Dragonfly, said. “I’m overall optimistic about the recovery path for USDC, but also hope this serves to renew the mission to build the holy grail of a truly decentralized stablecoin.”

Data from blockchain data firm Nansen shows that seven of the 10 largest so-called liquidity pools running on the Ethereum blockchain use USDC for transactions, an example of the often hidden connections in crypto. These pools are essentially automated market-making services made up of caches of crypto that are supplied by users in exchange for a fee.

DAI, the largest decentralized stablecoin, also uses USDC as a main liquidity source to keep its peg close to one dollar. As USDC slipped below \$1, DAI also traded below its peg.

MakerDAO – the community that runs DAI – is currently the largest holder of USDC in DeFi, according to Andrew Thurman, researcher at Nansen. Other top holders of USDC in DeFi include bridges, or software projects that allow tokens designed for one blockchain to be used on another; Aave, a DeFi lending project; and decentralized exchanges Curve Finance and dYdX.

Aave, one of the most popular decentralized lending projects, announced that the community backing the platform was pausing all lending and borrowing activities of USDC and DAI as well as other stablecoins including No. 1 Tether on Aave v3 running on the Avalanche blockchain.

USDC’s plight magnifies a sore spot in DeFi, whose advocates have long wanted to reduce the sector’s exposure to centralized tokens such as USDC. The algorithmic stablecoin project TerraUSD – which was designed to keep its 1-to-1 peg through mathematical calculations and a sister token rather than reserves – had gained traction in 2022 before its epic collapse. That left the status quo largely in place.

“Due to its size and backing by US institutions, USDC has been seen as a reliable representation of USD in the DeFi ecosystem,” said Nick Cannon, vice president of growth at crypto risk modeling firm Gauntlet. Cannon estimated that there are 35 billion USDC tokens circulating in the Ethereum ecosystem. “This week highlights the risks of on-chain systems relying on centralized custodians who may not be able to provide the same 24/7 transparency on the condition and risks of their assets.”

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Contagion as a result of mispriced counterparty risk, whether due to poorly understood or undisclosed connections, has featured prominently in several of the high-profile crypto blow ups of the last 12 months. These risks, and in particular the spectacular collapse of the centralized crypto exchange FTX, fueled calls for greater transparency across the industry and had emboldened DeFi proponents who see their protocols as more resilient.

Read: Decentralized Exchange Pledges Transparency After FTX Collapse

Curve, a popular exchange used mainly for stablecoin trading, logged a record \$7 billion in daily trading volume on Saturday, it said on Twitter. Traders rushed to swap USDC and DAI for Tether, with USDC's future clouded.

The USDC situation is “a short-term shock wave – I’d imagine it will suck a lot of liquidity out of DeFi as folks flee USDC and other dollar-backed stables,” said Nathan Allman, co-founder of Ondo Finance, a decentralized investment platform. “But longer-term, I think this creates an opportunity for DeFi to show its resilience.”

Circle said on Saturday that it continues to “operate normally” as it awaits clarity on the status of its trapped funds – and vowed to cover any shortfall “as required by law under stored-value money transmission regulation.”